



COVID-19 and the immediate impact on young people and employment in Australia: A gendered analysis

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Abstract

Young people have been regarded as “not at risk” of coronavirus, but what about the economic impact of social distancing and “lockdowns” arising from the pandemic? How have young women fared in comparison to young men? To address these questions, this study draws upon data from the Australian Bureau of Statistics, comparing young men and women and their older counterparts. The study also uses the Global Financial Crisis as a reference point to compare the immediate impact of COVID-19 on young people. Results suggest that young people have been significantly impacted by COVID-19 compared to older Australians. Young women in particular are being exposed to the economic fallout, especially those women in their 20s, wanting more work and more hours. COVID-19 threatens to erode some of the gains women have made in recent decades in terms of participation unless governments act to provide opportunities and support for young women.

KEYWORDS

coronavirus, COVID-19, gender, unemployment, youth labor market

1 | INTRODUCTION

COVID-19, a severe acute respiratory syndrome, has caused significant disruption to both the economy and society. The World Health Organization declared the outbreak of coronavirus, an international public health emergency in January 2020 and subsequently a pandemic in March. The first reported case in Australia was on

January 25 in the state of Victoria and less than a month later on March 20, the Australian Government closed its borders to all non-Australian residents and put in place a series of social distancing measures on March 21. Around this time, Australian states and territories went into “lockdown,” closing “nonessential” services. Several states and territories began relaxing restrictions in June as the number of infections and active cases decreased in late May and June. Victoria reintroduced a lockdown of nonessential services and closed its border in early July 2020 following an increase in the number of cases. Initial framings of COVID-19 positioned the virus as particularly harmful to older populations while young people were seen as “not at risk.” However, young people have been just as susceptible to coronavirus. While young people are less likely to die from the virus, they have similar infection rates to older people and in Australia, the number of cases amongst Australians aged between 20 and 29 are the highest of any age group (Australian Department of Health, 2020). Just as harmful is the social and economic impact of coronavirus on young Australians. This is particularly true of young women who are at a higher risk of both being infected by coronavirus and suffering economically from the associated lockdowns. This is the impetus of this study.

2 | BACKGROUND

2.1 | Young people confront another recession

Since February 2020, there have been almost 800,000 Australian jobs lost due to COVID-19. In response to the economic fallout, the Australian government introduced a wage subsidy scheme, *JobKeeper*, on March 30 for businesses who experienced a 30%–50% reduction in turnover. The *JobKeeper* payment is a flat rate of \$1500 paid to employers per worker per fortnight and covers only permanent full-time and part-time workers and casual employees who had held their job for over 12 months (Australian Treasury, 2020). The government also announced a *JobSeeker* payment for short-term casuals who lost their job paid at a lower amount of \$550. In August 2019, there were an estimated 1 million casual employees in Australia who had been with their current employer for less than 1 year (Parliamentary Library, 2020). Just over 26% of young people aged between 15 and 24 are more likely to be casual workers and employed with their current employer for less than 12 months. This is more than four times the proportion of casual employees over the age of 25 (Parliamentary Library, 2020).

Casualization is endemic in industries that tend to employ young people. Young male workers are concentrated in construction, manufacturing, and retail while young female workers are overly concentrated in health care, retail, and accommodation services (Junankar, 2015). Over 46% of casual employees in the accommodation and food services industry had been employed for less than 12 months and over 36% of employees in retail and 33% of employees in arts and recreation had been employed for less than 12 months. These are the industries that have been hit hardest since COVID-19-related restrictions have been put into place. Arts and recreation services and accommodation and food services have declined by about 35% and 24%, respectively (Australian Bureau of Statistics [ABS], 2020). Thus, many young people have not only lost their jobs because of the industries they have been employed in, but they have also been ineligible for the higher-paying wage subsidy.

This is a familiar story. Accommodation, retail, and arts were industries that were significantly affected by the Global Financial Crisis (GFC) in late 2008. While the GFC impacted most countries, Australia was largely left unscathed with the exception of young people. Prior to the GFC, youth unemployment was at 8.8%, which was close to the lowest youth unemployment rate on record in the 1970s. In 2015, some 8 years after the crisis, it was around 13.6% (Bowman, Borlagdan, & Bond, 2015). While conventional wisdom has long held that young people are the first to lose their jobs in recessionary times they also tend to “experience a faster and stronger turnaround when economic conditions improve” (Bowman et al., 2015). However, evidence has suggested that the GFC has cast a long shadow on youth unemployment both in Australia (Denny & Churchill, 2016) and globally. Youth unemployment has become an insurmountable problem for governments who have either neglected the issue or have

implemented policy programs which have failed to address the systemic issue. While both the International Labour Organization (ILO) and the Organisation for the Economic Co-operation and Development (OECD) argued in 2014 that stronger employment growth was the solution for youth unemployment, jobs growth since the financial crisis had advantaged older workers over their younger counterparts (Churchill, Denny, & Jackson, 2014). Furthermore, it has taken almost 10 years for the proportion of the youth population in employment to recover to pre-GFC levels (Borland, 2020). It is no surprise that during this period, the gig economy has become an alternative for young people looking for work or looking for more hours (Churchill & Craig, 2019). How long a shadow COVID-19 casts upon young people is unknown but it is very likely to be just as long as the GFC. This study examines the immediate impact of COVID-19 on young people in Australia and their employment. It uses the GFC as a counterpoint to compare and contrast the impact of COVID-19 on young people.

2.2 | The impact of COVID-19 on women

The study also takes on another comparative dimension by taking a gendered lens, comparing young men and women as the economic impact of COVID-19 has engendered a very gendered impact. Young women are more at risk of getting coronavirus than their young male counterparts. Indeed, young women aged between 20 and 29 have the highest coronavirus infection rates in the country (Australian Department of Health, 2020).

But they also face other risks. Young women were not doing well before COVID-19 (Ravn & Churchill, 2019) in terms of labor market outcomes and this is despite the fact that Australia ranks number one in the world in terms of educational participation for women (World Economic Forum, 2019). The Australian labor market is heavily gender segregated (WGEA, 2019) and thus they are more likely to be on the frontline as essential workers putting them even more at risk of being exposed to coronavirus (Cooper & Mosseri, 2020). Young women are also more likely to be employed in the industries and occupations that have been most severely impacted by COVID-19, such as accommodation and food services, retail, health care, and social assistance, in which women make up more than half of this workforce. Furthermore, young women are more likely to be in casual employment in these industries and thus ineligible for *JobKeeper* (Cassells & Duncan, 2020).

COVID-19 has also reinforced how critical care work—both paid and unpaid—is to the functioning of societies (Özkazanç-Pan & Pullen, 2020). Both the demands and burden of this work, lopsidedly done by women, have only increased since COVID-19 (Craig & Churchill, 2020). While men have increased the amount of time spent actively caring for and supervising children, the gap between men and women still remains. Furthermore, COVID-19 has done little to attenuate the gender gap in domestic labor (Craig & Churchill, 2020). This latest wave of the care crisis has meant that managing the demands of both work and family has only become more difficult. This is especially true in the case of women (and men) who have lost childcare as lockdowns have closed formal childcare centers and kept informal caregivers quarantined away. To accommodate these disruptions, mothers have been scaling back their employment. This is particularly true of those with young school-aged children who have reduced their work time significantly (Collins, Landivar, Ruppanner, & Scarborough, 2020). Fathers' time in paid employment, on the other hand, appears to be relatively unaffected (Collins et al., 2020). While there has been no explicit attention paid to young women and care work during the pandemic, we can expect that like their older counterparts they too have been similarly affected. One in every 15 young persons between the ages of 15 and 24 is a young carer of which women make up the majority (ABS, 2018).

The economic policy response to COVID-19 in Australia has largely ignored the gendered dimensions of COVID-19 and instead has focused on “shovel ready projects” (Australian Department of Infrastructure, Transport, Regional Development and Communication, 2020)—infrastructure projects like road maintenance and new rail lines, which overwhelmingly favor men because of the highly gender-segregated nature of the Australian labor market (Hill, 2020; WGEA, 2019). While this type of response worked well during the GFC, which significantly blunted its impact, the economic impact of COVID-19 is different in that it is women who have been overwhelming

affected. There has been little policy attention in terms of labor market opportunities for women and highly feminized industries like higher education, which face significant pressures during COVID-19 and have not received any government assistance. The free, universal childcare, which is critical to maintaining female labor force participation, offered by the Federal government during the peak of the crisis ended in June 2020 and was replaced with a new subsidy scheme which parents must pay a fee for, which acts as a barrier to labor force participation (Hill, 2020). This is despite evidence which suggests that investment in social infrastructure, not physical infrastructure, not only generates better economic recovery but a more gender equal recovery (Hill, 2020).

2.3 | Data

To assess the immediate impact of COVID-19 on young men and women and their employment, this study draws upon labor force data from the Australian Bureau of Statistics. This study uses *detailed monthly labor data* taken from the Labour Force Survey, which is a national survey of all people aged 15 years and over (see ABS, 2020, for more details). The variables of interest in the detailed monthly labor data are the following: (i) participation in the labor force rate (both full-time and part-time employment), (ii) unemployment rate, and (iii) underemployment rate. The *underemployment rate* is derived by calculating the number of unemployed persons as a proportion of the total labor force (unemployed and employed). Here, unemployment is defined as all persons aged 15 years and over who were not employed during the reference week, who actively looked for work, including full- or part-time work at any time in the 4 weeks up to the end of the reference week and were available to start work in the reference week or were waiting to commence a new job within a 4-week period from the end of the reference week and were able to start in the reference week if the job was available to start. The *underemployment rate* is the number of underemployed workers expressed as a proportion of the total labor force. Here, underemployment refers to time-related underemployment, specifically people who would prefer to work more hours than they currently have. These workers may be part-time who would like to work more hours or full-time workers who worked part-time hours in the reference week and would prefer to work more hours.

3 | RESULTS

3.1 | Participation rates

As Table 1 illustrates, men aged between 15 and 19 have had the lowest labor force participation rates of all age groups over the last 20 years. In January 2000, the labor force participation rates for men aged 15–19 and 20–24 were 61% and 87.6%, respectively. The participation rates for men over the age of 25 were similar to the rates of men aged between 20 and 24. In July 2008, just before the onset of the GFC, the rate for 15- to 19-year-old men had decreased to 57.8% and the rate for 20- to 24-year-olds remained steady. A month later as the crisis was underway, the labor force participation for 15- to 19-year-olds was down 3.4 percentage points in a month (to 54.4%) and down 1.1 percentage points for 20- to 24-year-olds (82.9%). The participation rate for 15- to 19-year-old men rebounded to 57% in September and October before returning to 54% in November 2008. From July to November 2008, the decrease for young men aged between 15 and 19 was 3.7 percentage points. For 20- to 24-year-old men, the participation rate rebounded to 84.5% in September before going back down to around 82% in October and November 2008. The decrease in participation amongst men aged between 20 and 24 from July to November 2008 was 1.4 percentage points. In contrast, the labor force participation for older men aged 25 and above on average increased by 0.1 percentage points although there was some variation across age groups, for example, men in their 30s experienced a decrease of around 0.8 percentage points but men in their early 40s experienced an increase of 0.7 percentage points from July to November 2008.

TABLE 1 Male labor force participation rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–19	61.8	57.8	54.4	57.5	57.8	54.1	53.7	54.3	55.1	48.5	44.2	46.4
20–24	87.6	84.0	82.9	84.5	83.5	82.7	82.7	82.5	81.1	76.4	73.2	77.1
25–29	90.9	91.2	90.8	92.0	92.1	91.4	90.0	89.2	89.5	87.1	86.4	87.6
30–34	91.6	93.5	92.6	93.6	93.9	92.7	91.4	92.6	92.5	90.2	89.9	89.7
35–39	90.2	92.4	91.9	92.3	92.4	91.6	92.6	93.4	93.5	92.0	91.6	92.3
40–44	91.2	90.9	91.2	91.6	91.6	91.6	90.7	92.0	91.7	91.1	90.3	90.7
45–59	88.3	89.5	89.4	90.5	89.6	90.1	89.7	90.9	90.2	89.1	88.8	89.9
50–54	84.0	86.9	87.1	87.9	86.8	86.9	87.4	88.5	88.5	88.0	87.2	87.1
55–59	71.0	76.6	75.4	76.8	75.6	74.8	79.0	81.0	80.4	79.9	79.9	80.3
60–64	45.1	57.7	59.1	60.7	58.3	60.0	64.4	66.0	64.7	62.6	62.8	63.9

Source: 6291.0.55.001—Labor force, Australia, detailed—Electronic delivery, June 2020.

TABLE 2 Female labor force participation rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–19	62.9	59.6	56.0	58.5	58.9	57.2	62.5	60.1	57.8	56.7	48.4	44.1
20–24	75.6	78.8	77.5	78.3	76.8	76.1	79.2	80.7	81.5	79.7	73.3	72.7
25–29	70.1	74.8	74.7	74.8	75.1	76.3	76.0	81.8	81.8	80.7	77.3	75.5
30–34	63.8	72.4	72.9	73.1	73.5	72.8	74.1	77.3	79.3	80.1	76.8	76.6
35–39	66.4	72.2	72.0	73.3	72.6	72.6	73.5	76.6	78.4	78.5	76.7	75.2
40–44	70.2	77.9	77.2	78.7	77.6	77.7	77.4	79.3	79.6	79.8	78.1	77.3
45–59	71.7	79.5	79.5	81.1	80.4	80.5	80.7	80.4	82.1	81.5	80.1	79.8
50–54	63.1	74.6	75.2	74.7	73.8	73.3	73.9	76.2	78.9	79.6	76.6	76.4
55–59	45.2	61.2	61.2	62.8	61.7	62.3	61.6	69.5	71.1	70.1	68.3	68.0
60–64	19.0	37.7	38.5	39.5	38.8	38.5	37.5	50.8	51.5	52.1	50.3	51.0

Source: 6291.0.55.001—Labour force, Australia, detailed—Electronic delivery, June 2020.

Moving to February 2020 just as the pandemic was beginning, the labor force participation rates for 15- to 19- and 20- to 24-year-old men were 54.3% and 82.5%, respectively, decreasing to 46.4% and 77.1%, respectively, by June 2020 after reaching lows of 44.2% for 15- to 19-year-olds and 73.2% for 20- to 24-year-olds. Across the period, these changes accounted for a decrease of around 7.9 percentage points for 15- to 19-year-old men and 5.4 percentage points for 20- to 24-year-old men across the period. This is significantly bigger than the decrease during the GFC. Those who were aged between 25 and 29 also experienced a decrease of around 1.5 percentage points from January to May 2020. In contrast, the decrease between February 2020 and June 2020 was around 3 percentage points for those aged between 30 and 44 years of age. The decrease across the rest of the age groups was around 1.3 percentage points.

In Table 2, the labor force participation rates show that in contrast to men, it has generally been older women who had had the lowest labor force participation rates. Focusing on young women, aged between 15 and 19 and

20 and 24, the participation rates were 62.9% and 75.6%, respectively, at the start of the Millennium and women aged between 20 and 24 had the highest participation rates across all ages. Just before the GFC in July 2008, the rates were 59.6% for 15- to 19-year-old women and 78.8% for 20- to 24-year-old women. As the crisis was underway in August 2008, participation dropped to 56% and 77.5%, respectively. This was an immediate decline of about 3.6 and 1.3 percentage points for 15- to 19- and 20- to 24-year-old women, respectively. Participation rebounded in September for both groups but went down to 57% in November 2008 for 15- to 19-year-old women and 76% for 20- to 24-year-old women. Between July and November 2008, the decrease in participation rates for young women was around 2.5 percentage points. In contrast, women aged between 25 and 64 experienced either no change or small increases of around 1–2 percentage points during the period.

Moving to February 2020 just as the pandemic was beginning, the participation rates for 15- to 19- and 20- to 24-year-old women were 57.8% and 81.5%, respectively, decreasing to 44.1% and 72.7% by May. There was a rebound in June 2020 as parts of the Australian economy rebounded but participation was still 9.1 percentage points lower for 15- to 19-year-old women and 6.2 percentage points lower for 20- to 24-year-old women when compared to February 2020 participation rates. Women aged between 25 and 29 also suffered a decline of about 4.5 percentage points across the period. Comparatively, the declines in labor force participation for older women were significantly less, averaging about 1.4 percentage points.

3.2 | Unemployment rates

Men's unemployment rates for the last 20 years for the working age population are presented in 5-year age groups in Table 3. At the beginning of the Millennium, young men aged between 15 and 19 and 20 and 24 had unemployment rates of about 20% and 11.3%, respectively. In July 2008, just before the crisis, the unemployment rate was 10.7% for 15- to 19-year-olds and 5.2% for 20- to 24-year-olds. The unemployment rate was at 3.6% for 25- to 29-year-old men. The unemployment rate increased to 10.7% and 5.6%, respectively, in August 2008. By November 2008, unemployment had increased by 1.6 percentage points for 15- to 19-year-old men and 1.9 percentage points for 20- to 24-year-old men. This represented a 2.1 percentage point increase for men under 25 over the period. In contrast, unemployment rates for older men went up very marginally, less than 0.5% on average between July and November 2008.

Moving to February 2020, the unemployment rates for 15- to 19- and 20- to 24-year-old men were 21.7% and 10.3%, respectively. The unemployment rate actually decreased for 15- to 19-year-olds during the initial months of COVID-19 and by June 2020, the rate had almost gone down by 2 percentage points to 19.8%. For men aged between 20 and 24, the unemployment rate went up during this period by about 4.4 percentage points, standing at about 14.7% in June 2020. In contrast, the unemployment rate went up around 2 percentage points on average for all other age groups.

Women's unemployment rates for the last 20 years for the working age population (15–64 years of age) are presented in 5-year age groups in Table 4. Younger women have the highest unemployment rates compared with all other age groups. At the beginning of the Millennium, the unemployment rates for 15- to 19- and 20- to 24-year-old women were 17.2% and 10%, respectively. By July 2008, before the crisis, the unemployment rates for these two groups were 12.1% and 6.4%. The unemployment rate crept up to 14.8% for 15- to 19-year-old women and 4.9% for 20- to 24-year-old women in August 2008. By November, it was 11.8% for 15- to 19-year-old women, suggesting they made some gains during the GFC and 5.4% for 20- to 24-year-old women. Between July and November 2008, the unemployment rate for women had actually decreased by 0.3 percentage points amongst 15- to 19-year-old women and about 1 percentage point for 20- to 24-year-old women. Increases for older women were marginal, the increase on average being about 0.3 percentage points.

Moving to February 2020 as the crisis began, unemployment rates for 15- to 19- and 20- to 24-year-old women were 17.0% and 8.7%, respectively. Although fluctuating a little during the initial months of COVID-19, by

TABLE 3 Male unemployment rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–19	20.0	10.2	10.7	13.6	13.0	12.3	23.0	21.7	20.9	20.2	19.6	19.8
20–24	11.3	5.2	5.6	6.4	5.3	7.3	10.0	10.3	9.8	12.4	13.2	14.7
25–29	8.7	3.6	4.0	4.1	4.5	4.0	5.9	6.4	5.6	7.6	9.1	8.0
30–34	6.0	2.8	2.6	2.7	2.9	3.5	3.7	3.2	3.6	5.5	5.6	6.4
35–39	5.4	2.4	2.7	2.8	2.6	2.6	3.4	3.1	3.1	5.0	5.0	5.6
40–44	4.4	3.0	3.2	2.4	2.5	2.5	4.0	4.1	3.8	3.9	4.0	4.7
45–59	5.1	1.9	2.4	2.8	2.3	2.7	3.6	3.4	3.2	3.7	4.4	4.8
50–54	5.0	2.8	2.5	3.2	2.4	2.1	4.2	3.3	4.0	5.5	5.5	5.1
55–59	6.3	3.0	1.9	2.4	2.7	2.7	4.8	4.6	4.6	5.5	6.1	6.2
60–64	6.6	3.2	2.9	4.2	3.1	2.5	4.2	4.2	4.5	4.4	5.3	5.5

Source: 6291.0.55.001—Labour force, Australia, detailed—Electronic delivery, June 2020.

TABLE 4 Female unemployment rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–19	17.2	12.1	10.8	12.5	12.0	11.8	17.1	17.0	15.1	16.7	18.7	18.2
20–24	10.1	6.4	4.8	4.9	5.0	5.4	9.1	8.7	9.0	11.1	13.0	12.9
25–29	6.6	3.8	4.2	5.0	5.0	5.1	5.4	4.8	6.0	6.9	7.5	7.5
30–34	5.5	4.2	4.5	4.4	4.6	4.0	5.4	4.6	4.8	6.5	7.6	8.1
35–39	6.2	4.0	3.7	4.2	4.1	3.9	3.9	4.6	4.1	4.5	5.4	5.2
40–44	5.1	3.7	3.4	3.9	3.4	4.1	3.7	3.5	4.3	4.8	4.8	5.2
45–59	4.1	4.1	3.9	3.7	3.2	3.4	3.5	4.0	4.1	4.2	5.2	5.5
50–54	4.2	2.7	3.1	3.5	2.7	2.8	4.2	3.9	4.2	4.3	5.1	4.7
55–59	4.6	1.2	1.7	1.8	1.7	1.9	3.9	3.9	3.6	4.0	3.9	5.0
60–64	3.0	2.4	2.7	1.7	2.3	3.0	4.3	4.6	5.2	4.8	4.0	5.2

Source: 6291.0.55.001—Labour force, Australia, detailed—Electronic delivery, June 2020.

June 2020, unemployment rates were 18.2% for 15- to 19-year-old women and 12.9% for women aged between 20 and 24. This amounted to a 3.2 and 4.21 percentage point increase, respectively, for 15- to 19- and 20- to 24-year-old women. In contrast, older age groups of women saw increases of around 1–1.5 percentage points during this period.

3.3 | Underemployment rates

In Table 5, the male underemployment rate for the last 20 years is presented. As the figure illustrates, underemployment is largely an issue for young men. At the beginning of the Millennium, the underemployment rate for young men aged between 15 and 24 was 9.4%, which is 4.6 percentage points higher than the general

TABLE 5 Male underemployment rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–24	9.4	9.0	8.8	9.4	10.0	10.3	16.0	15.4	17.8	21.6	20.1	18.2
25–34	4.0	3.4	3.2	3.7	3.8	3.9	5.9	6.0	6.1	13.7	12.3	11.4
35–44	3.9	3.0	2.7	2.8	3.2	3.2	3.9	3.8	4.4	9.2	10.4	8.5
45–54	3.9	3.0	2.9	2.9	3.2	2.8	4.4	4.4	4.4	9.9	10.0	8.6
55+	3.2	3.5	3.5	3.6	3.9	3.6	5.8	5.5	6.1	10.6	10.3	8.8

Source: 6202.0—Labour force, Australia, June 2020.

TABLE 6 Female underemployment rates, by age group, January 2000–June 2020 (%)

	Jan 2000	July 2008	Aug 2008	Sept 2008	Oct 2008	Nov 2008	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
15–24	12.7	12.9	13.8	13.5	13.6	14.0	20.1	21.5	20.5	25.9	23.6	21.0
25–34	5.7	6.0	5.8	5.9	5.8	5.6	8.7	8.6	8.7	14.5	12.3	11.2
35–44	8.4	7.8	7.6	7.8	8.0	8.4	9.2	8.6	8.3	12.1	13.4	11.7
45–54	8.3	6.5	6.6	6.8	7.2	7.5	8.6	9.0	8.9	13.2	12.6	11.1
55+	5.7	5.1	4.5	4.3	4.7	5.5	8.4	8.6	8.3	12.2	11.6	12.0

Source: 6202.0—Labour force, Australia, June 2020.

underemployment rate. Just before the crisis in July 2008, underemployment for young men aged between 15 and 24 was at 4.0%, increasing to 4.4% in September and then 4.7% in both October and November 2008. This amounted to a 0.2 percentage point increase between July and November 2008.

In February 2020, the underemployment rate for men aged between 15 and 24 was 15.4%. By April 2020, the underemployment rates for men aged between 15 and 24 increased to 21.6%, declining to 18.2%. This amounted to an increase of 2.8 percentage points between February and June 2020. Increases in the underemployment rate for older men were somewhere between 5% and 6%. This is largely because the base underemployment rate amongst older men was lower than younger men.

In Table 6, the female underemployment rate for the last 20 years is presented. Like their male counterparts, underemployment has become an issue mainly for young women. At the beginning of the Millennium, the underemployment rate for young women aged between 15 and 24 was 12.7%. It was significantly lower for women aged between 25 and 34 (5.7%). The underemployment rate for older women aged between 35 and 54 was at around 8%. In July 2008 just before the GFC, the underemployment rate was up to 12.9% for women aged between 15 and 24 and 6% for women aged between 25 and 34. The underemployment rate in August 2008 went up by 1 percentage point for the 15- to 24-year-old women and remained largely flat for women 25–34. By November 2008, the underemployment rate was at 14% for 15- to 24-year-old women and 5.6% for 25- to 34-year-olds.

Moving to the beginning of 2020, the underemployment rate for women aged between 15 and 24 was 20.1%. It was around 8.5% for women in older age groups. By February 2020, the underemployment rate was 21.5% for 15- to 24-year-old women; 8.6% for women 25–34. By June 2020, the rate had actually decreased by 0.5 percentage points for 15- to 24-year-old women, but was up 2.63 percentage points to 11.2% for women between 25 and 34.

4 | DISCUSSION

Using high-quality data from the Australian Bureau of Statistics, this study explored how COVID-19 has impacted young men's and women's labor market participation. Critically, these data show the deleterious impact of COVID-19 and the associated economic fallout on young Australians. Across all measures—labor force participation, unemployment, and underemployment—younger Australians were significantly impacted more so relative to older age groups. There are two possible explanations for this. First, it reflects the labor market position of young people prior to COVID-19, which has been slowly deteriorating since the 1970s (Cuervo & Wyn, 2011) and hastened by the GFC. It also likely reflects the availability of wage subsidies like *JobKeeper*, which likely advantages older age groups who are less likely to be casual and thus keeping them more attached to their employers and thus not looking for employment. It also is further evidence of how the system's design, which excludes those who have not been with their employer for 12 months, has impacted young people who have higher rates of unemployment.

Like other economic downturns, the economic fallout resulting from COVID-19-related restrictions and social distancing measures has pushed young people out of the workforce (Bowman et al., 2015). However, relative to the GFC, the impact of COVID-19 on young people has been significantly worse. This is troubling as the GFC only affected young people and in the years following the crisis, the youth labor market further deetiolated as older women and migrants took up labor market opportunities at the expense of younger men and women (Churchill et al., 2014). The effects of the GFC on young people are a warning sign to what might happen to young people both during and after COVID-19. The impact may be much worse given that COVID-19 has affected all age groups, not just the young. The impact has also been more gender-even than the GFC in that women have been just as affected as the men. This is in contrast to the GFC, which mostly affected young men, resulting in declines in labor force participation and increases in unemployment and underemployment.

While women have been impacted, the effects of COVID-19 on women have varied. The findings suggest that COVID-19 can erode both advantages and gains made by women in the labor market in recent decades. While the youngest group of women in the labor market still outperform their male counterparts in terms of labor force participation, the gender gap which was 6.4 percentage points at the start of 2020 was reduced to 2.3 percentage points in June 2020. This is because the decline in participation was greater amongst young women (9.1 percentage points) than young men (7.9 percentage points). This was, however, not the case for young women in their 20s. The declines in labor force participation amongst women in their 20s were higher than their male counterparts, indicating that these women have been pushed out of the labor market. This is critical given that a significant proportion of women in this age band are likely to be tertiary graduates who are either entering the labor market for the first time or are newly graduated in their first jobs. This may have significant effects on their future labor force participation, careers, and family formation. It is also likely that these declines for women, especially in their 20s, reflect their position outside of the labor market. Women have significant care responsibilities, even young women (ABS, 2018), which significantly impact upon their labor force participation. This echoes what Collins et al. (2020) found that women with care responsibilities significantly reduced their hours in paid employment during COVID-19 whereas men's hours in paid employment were unaffected.

While unemployment remained higher for younger men, reflecting their lower participation rates, the increases in unemployment rates have been higher for younger women. This is likely because young women are over-represented in industries that have been most exposed to the economic fallout during COVID-19, such as accommodation and food services, retail, and arts and recreation services (ABS, 2020). These industries contain a higher proportion of lower quality jobs, which tend to disappear quickly during downturns (Khushi & McManus, 2017; Williams & Tait, 2011). Furthermore, these types of industries are not particularly "family friendly," especially during COVID-19, and are not easily done from home. Thus, even if there were not as many job losses, the nature of these industries makes it impossible for women to keep their jobs if they have caring responsibilities.

Beyond job losses, the increase in unemployment appears to signal that women are putting themselves on the labor market in greater numbers as COVID-19 goes on. While it has been a long-held idea that some women retreat from the labor market (usually to the home, becoming “inactive”) during recessions, more recent research has shown that following the GFC, women did not retreat (Rubery & Rafferty, 2013). This has been attributed to changes in women's stronger connection to the labor market in recent times, their commitment to their careers, and also policy supports and welfare arrangements (Rubery & Rafferty, 2013). These ideas can be extended perhaps to young Australian women who want to maintain the high labor force participation rates they enjoyed before the crisis. Young Australian women also want more hours. While this has always been the case, the desire for more has increased significantly during COVID-19. Over one-in-five Australian women want more hours (higher than men in the same age group) and during the height of COVID-19, it was one-in-four. This finding taken together with earlier findings about unemployment suggest that young women are underutilized and perhaps further reflects the idea that young Australian women want to maintain their position in the labor market.

5 | CONCLUSION

Young people are neither immune from coronavirus nor the economic fallout. Compared with their older counterparts, young people's participation in the labor force has gone down and both un- and underemployment have risen significantly. Compared with the GFC, in which the youth labor market has just “recovered” from, the impact is likely to be significantly worse, suggesting that the recovery from this downturn will be deeper and longer. Unlike the GFC, COVID-19 is also impacting those in their early to late-20s, suggesting a broader impact too. While successive Australian governments have largely ignored the youth unemployment problem, they will need to tend to this to ensure that young Australians live up to the idea that young people bounce back from recessions better and quicker than their older counterparts. Highly conditional wage subsidy schemes like *JobKeeper* have the ability to create two cohorts of young people—those who stayed attached to their jobs with financial certainty and those without who become underutilized and marginal. Further, governments will also need to pay attention to the gendered consequences of COVID-19. Some of the gains women have made in terms of labor participation are being eroded, especially those women in their 20s. This would compound the already pressing conundrum of women's economic opportunities in Australia in which they are highly educated but significantly underemployed. Governments will need more than “shovel-ready” projects to mediate these impacts for young women. If they fail to do this, the economic recovery will be uneven and these women, who are at a critical period in their lives, will lose out. This will have scarring effects, which not only disadvantage these young women across their lives but also governments who are losing a significant part of the future skilled workforce. Thus, governments need to invest in industries that will bring women back into the labor market, not just construction or large infrastructure projects which favor men. They also need to invest in social infrastructure like childcare which helps women maintain higher levels of labor force participation, but also brings dividends economically for both men and women (Hill, 2020). Finally, women, in particular, young women, are underutilized and their successes in education are not being capitalized on. Engaging high-skilled and qualified women may be one pathway to higher productivity and a pathway out of the economic fallout.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are openly available at the Australian Bureau of Statistics at <http://www.abs.gov.au>, reference number 6291.0.55.003.

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